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WASHINGTON, D.C.

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ELLSWORTH C. ALVORD (1964)

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OF COUNSEL  
URBAN A. LESTER

RECEIVED  
SURFACE TRANSPORTATION BOARD  
MAY 14 1996

May 14, 1996

20058

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

20058 - A, B, C, D  
RECORDATION NO. FILED 14

MAY 14 1996 - 12 05 PM

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are three (3) copies of a Master Equipment Lease Agreement, dated as of May 6, 1996, a primary document as defined in the Board's Rules for the Recordation of Documents and three (3) copies each of the following documents related thereto: Certificates of Acceptance No. One and No. Two, each dated May 6, 1996, and two Bills of Sale, each dated May 13, 1996.

The names and addresses of the parties to the enclosed documents are:

Master Equipment Lease Agreement and  
Certificates of Acceptance No. One and No. Two

Lessor: MetLife Capital Limited Partnership  
10900 N.E. 4th Street  
Bellevue, Washington 98009

Lessee: Dakota, Minnesota & Eastern Railroad Corporation  
337 22nd Avenue South  
Brookings, South Dakota 57006

Mr. Vernon A. Williams  
May 14, 1996  
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Bills of Sale

Seller: NorRail, Inc.  
308 12th Avenue South  
Buffalo, Minnesota 55313

Buyer: MetLife Capital Limited Partnership  
10900 N.E. 4th Street  
Bellevue, Washington 98009

A description of the railroad equipment covered by the enclosed documents is:

For Certificate of Acceptance No. One -

Twenty-one (21) covered hopper railcars bearing DME (formerly CR) reporting marks and road numbers set forth on Exhibit A attached thereto.

For Certificate of Acceptance No. Two -

Fifty (50) covered hopper railcars bearing DME (formerly CR) reporting marks and road numbers set forth on Exhibit A attached thereto.

Also enclosed is a check in the amount of \$105.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of each of the enclosed documents to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/bg  
Enclosures

SURFACE TRANSPORTATION BOARD  
WASHINGTON, D.C. 20423-0001

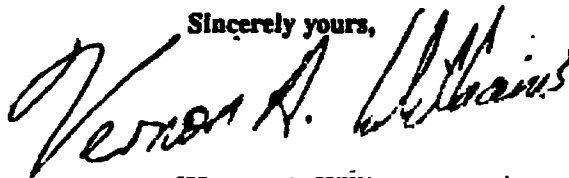
5/14/96

Robert W. Alvord  
Alvord And Alvord  
918 Sixteenth Street, NW., Ste. 200  
Washington, DC., 20036-2073

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 5/14/96 at 12:05PM, and assigned recordation number(s). 20058, 20058-A, 20058-B, 20058-C and 20058-D.

Sincerely yours,

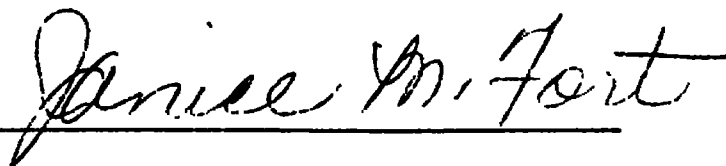


Vernon A. Williams  
Secretary

Enclosure(s)

\$ 105.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature



**CERTIFICATE OF ACCEPTANCE NO. ONE**

Under  
Equipment Lease No. One  
Incorporating  
Master Equipment Lease Agreement dated May 6, 1996

20058  
MAY 14 1996 - 12 05 PM

MetLife Capital, Limited Partnership  
C-97550  
Bellevue, WA 98009

**1 Acceptance**

Lessee hereby accepts the Items described below ("Accepted Items") on the terms and conditions of the above Equipment Lease ("Lease") and Master Equipment Lease Agreement ("Agreement") between Lessor and Lessee, and approves payment of all related invoices

**2 Acceptance Date of Accepted Items**

**3 Description of Accepted Items**

Vendor	NorRail, Inc.		
Invoice #:	1450	Amount:	\$624,750 00

**Equipment Description.**

Twenty-one (21) covered hoppers

The equipment is further described on the attached Exhibit "A" herein incorporated by this reference

**4 Location of Accepted Items (include county)**

Items are rolling stock or mobile goods When not in transit, to be parked at \_\_\_\_\_

**5 Lessee's Assurances**

Lessee represents, warrants and agrees as follows:

(a) The representations and warranties of Lessee in Section 3 of the Agreement are true and correct, on and as of the above Acceptance Date as though made as of that date, and the representations and warranties of any guarantor of Lessee's obligations under the Lease contained in the related guarantee are true and correct on and as of the above Acceptance Date

(b) Lessee has received, inspected and approved the Accepted Items. They are in good working order and conform to the Lease and all applicable specifications. Lessee will not terminate, repudiate, or modify the Lease as to the Accepted Items or reject or revoke its acceptance of the Accepted Items for any reason whatsoever. The above information concerning the Accepted Items is true, correct and complete. Accepted Items are being placed in service on the Acceptance Date, which, unless Lessor has consented otherwise in writing, is the date set forth above.

(c) No Event of Default under the Agreement or Lease has occurred and is continuing. There has been no adverse change in the business or financial condition of Lessee or any such guarantor since the date of the most recent financial statement submitted to Lessor

6. Warranty and Related Matters

LESSEE ACKNOWLEDGES AND AGREES THAT LESSOR HAS NOT SELECTED, MANUFACTURED OR SUPPLIED THE ACCEPTED ITEMS LESSOR IS ACQUIRING THE ACCEPTED ITEMS IN CONNECTION WITH THE LEASE. LESSEE HAS RECEIVED A COPY OF AND HAS APPROVED THE PURCHASE ORDERS, INVOICES, OR CONTRACTS FOR THE ACCEPTED ITEMS. LESSEE ACKNOWLEDGES THAT IT HAS SELECTED THE SUPPLIERS OF THE ACCEPTED ITEMS

LESSEE:

DAKOTA, MINNESOTA & EASTERN  
RAILROAD CORPORATION

By  
Title

L.A. Anderson

L.A. Anderson

Vice Pres-Mktg & Public Affairs

By  
Title

ACKNOWLEDGMENTS

STATE OF South Dakota  
COUNTY OF Brookings

On this 15<sup>th</sup> day of MAY, 1996 before me, a Notary Public, personally appeared L.A. Anderson and

DMERR Corp, to me known to be the V.P. Marketing and Public Affairs respectively, of

DMERR Corp, who executed the foregoing instrument and acknowledged the said instrument was the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned.

Joyce E. Hock

NOTARY PUBLIC in and for the State of S.D.

residing at Brookings, SD

My commission expires 5-5-2002

[NOTARIAL SEAL]

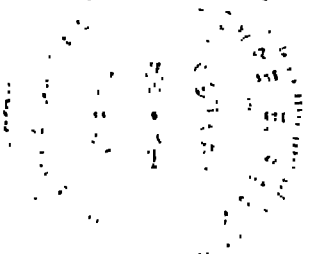


EXHIBIT "A"

This Exhibit "A" is attached to and made part of that certain Certificate of Acceptance No. One by and between MetLife Capital, Limited Partnership as Lessor and Dakota, Minnesota & Eastern Railroad Corporation as Lessee

OLD CAR #	NEW CAR #
CR 887823	DME 44001 -
CR 887828	DME 44008 -
CR 890850	DME 46036 -
CR 888644	DME 46042 -
CR 888397	DME 46004 -
CR 888280	DME 46052 -
CR 888246	DME 46055 -
CR 886692	DME 46067 -
CR 887850	DME 46014 -
CR 888594	DME 46070 -
CR 887928	DME 47016 -
CR 887940	DME 47017 -
CR 887952	DME 47025 -
CR 886146	DME 47026 -
CR 887923	DME 47027 -
CR 887935	DME 47028 -
CR 886179	DME 47033 -
CR 886832	DME 47165 -
CR 888347	DME 47166 -
CR 886905	DME 47167 -
CR 888385	DME 46007 -

(21)